

Anglin-Norcross Corporation Limited

and Subsidiary Companies

REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS FOR THE YEAR ENDING FEBRUARY 28th, 1939.

Your Directors submit herewith a Consolidated Balance Sheet showing the condition of the Company at the close of our fiscal year ending February 28th, 1939.

Adequate provision has been made for depreciation, taxes, contingencies and doubtful debts.

The anticipated improvement in general construction for the past year failed to materialize—on the contrary contracts awarded in Canada for 1938 were 16.4% less than the previous year. Despite this adverse condition your Company was fortunate in securing a volume of new work over 50% in excess of the previous year, the result of which we trust will be reflected in our next fiscal year.

There can be no doubt that a general resumption of greater activity in this important industry would prove a most potent factor for decrease in unemployment and generate a sharp upturn in national prosperity.

The measure of your Company's success in the twenty years of its existence is reflected in its service to its clients and its ability to maintain a high standard of operating efficiency under whatever conditions may exist and its condition at the close of its fiscal year offers proof of its ability to continue along similar lines in the future.

Among contracts upon which we are now engaged the most important is the erection of the new Supreme Court of Canada Building in Ottawa.

Our investments continue to show satisfactory returns and our liquid position has been more than fully maintained.

Yours faithfully,

HENRY J. GROSS,

PRESIDENT.

MONTREAL, APRIL 3rd, 1939.

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ANGLIN-NORCROSS CORPORATION LIMITED

Consolidated February

Assets

CURRENT ASSETS:

Cash in Banks	\$ 80,089.83	
Bonds, Call Loan and Investments	624,596.53	
(Market Value \$659,025.84)		
Accounts Receivable	272,348.54	
Material Inventories at the Lower of Cost or Market	45,884.37	
TOTAL CURRENT ASSETS		\$1,022,919.27

FIXED ASSETS:

Machinery, Tools and Equipment at Cost	334,820.57	
Office Building, Mile End Plant and Iberville Granite Cutting Works at Cost	\$ 170,386.20	
	\$ 505,206.77	
LESS: Depreciation Reserve	316,605.18	188,601.59

\$1,211,520.86

We have audited the Books and Accounts of ANGLIN-NORCROSS CORPORATION LIMITED, and its subsidiaries, Anglin-Norcross Quebec Limited, Anglin-Norcross Ontario Limited and National Granite Works Limited for the year to February 28th, 1939.

We have verified the Securities and the Revenue therefrom. The usual Depreciation has been provided on Plant and Equipment, except in the case of the National Granite Works Limited.

In our opinion, the above Consolidated Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of our information and the explanations given to us, and as shown by the books of the Company. All our requirements as Auditors have been complied with.

WILSON, BIRNIE & SEYMOUR

Chartered Accountants.

MONTREAL, March 30th, 1939.

LIMITED AND SUBSIDIARY COMPANIES

Balance Sheet

8th, 1939

Liabilities

CURRENT LIABILITIES:

Accounts and Bills Payable.....	\$ 144,248.83
Income Tax Reserve.....	5,459.91
Dividends Payable.....	118.50

TOTAL CURRENT LIABILITIES.....\$ 149,827.24

RESERVES:

Contingencies.....	\$ 24,221.84
Investments.....	69,041.26
General Reserve.....	118,662.63
	211,925.73

CAPITAL STOCK:

Preferred, 5% Redeemable, Non Cumulative	
Authorized and Issued.....65,600 Shares.....	\$ 656,000.00
Less: Redeemed.....9,224 Shares.....	92,240.00
	\$ 563,760.00

Common, No Par Value

Authorized.....10,000 Shares.....	
Issued.....6,560 Shares.....	32,800.00
	596,560.00

CAPITAL SURPLUS.....	92,240.00
SURPLUS—EARNED.....	160,967.89

\$1,211,520.86

SURPLUS—EARNED

Profit on Completed Contracts after providing for all Operating Expenses and Depreciation of \$19,033.17 together with Income from Investments, etc., of \$47,717.01 for the Year to February 28th, 1939.....	\$ 30,490.31
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DEDUCT:

Directors Fees.....	\$ 3,150.00
Executives Salaries.....	17,400.00
Legal Fees.....	2,284.76
Reserve for Income Tax.....	4,000.00
	26,834.76

Net Profit for the Year.....	\$ 3,655.55
Surplus, February 28th, 1938.....	\$ 175,582.34
Less: Transferred to Capital Surplus.....	18,270.00
	157,312.34

Surplus, February 28th, 1939.....\$ 160,967.89

Approved— { HENRY J. GROSS
C. D. HARRINGTON } Directors.

Anglin-Norcross Corporation Limited

BOARD OF DIRECTORS

G. W. BIRKS	Montreal	P. N. Gross	Toronto
A. L. BISHOP	Toronto	C. D. HARRINGTON	Montreal
A. O. DAWSON	Montreal	W. S. LESLIE	Montreal
H. J. GROSS	Montreal	G. L. MAGANN	Toronto

OFFICERS

<i>President</i>	HENRY J. GROSS
<i>Vice-President and Manager</i>	CONRAD D. HARRINGTON
<i>Secretary-Treasurer</i>	GEORGE A. LOWLES
<i>Assistant Secretary-Treasurer</i>	THOMAS A. GUNN

SUBSIDIARY COMPANIES

ANGLIN-NORCROSS QUEBEC LIMITED . . .	892 Sherbrooke St. W., Montreal
ANGLIN-NORCROSS ONTARIO LIMITED . . .	57 Bloor Street West, Toronto
NATIONAL GRANITE WORKS LIMITED	Iberville, Que.
ROSSLIN IMPROVEMENT COMPANY LIMITED . . .	892 Sherbrooke St. W., Montreal